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## TRANSLATIONS ON LATIN AMERICA

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## CONTENTS

PAGE

## BRAZIL

Accusation, Denial of Political Torture Reported (O ESTADO DE SAO PAULO, various dates) .....	1
DOI Accused of Torturing Suspect General Denies Torture	
Guazzelli Document Recommends Party Reform (O ESTADO DE SAO PAULO, 21 Jan 77) .....	4
Nuclear Ship Construction Delayed (O ESTADO DE SAO PAULO, 19 Jan 77) .....	8
Shipping Accord Signed With Malta (O ESTADO DE SAO PAULO, 19 Jan 77) .....	9

## COLOMBIA

Gold, Platinum, Copper Deposits Discovered (EL ESPECTADOR, 22 Jan 77) .....	10
New Cundinamarca Coal Deposits Discovered (EL ESPECTADOR, 28 Jan 77) .....	12

## CUBA

New Carter Cabinet Evaluated (BOHEMIA, 31 Dec 76) .....	14
Biographies of Cabinet Members, by Aldo Menendez Unemployment and Discrimination	
FAR Special Production Centers Hold Meeting (GRANMA, 31 Jan 77) .....	19
Young Communists Hold Meeting in FAR Housing Directorate (GRANMA, 27 Jan 77) .....	20

CONTENTS (Continued)

Page

'GRANMA' Reports Law and Order Cases (GRANMA, various dates) .....	22
---	----

Robbery Draws Six-Year Term  
Six-Year Term for Assault, Robbery  
Street Robbery Penalized by Six-Year Term  
Thirty-Year Jail Sentence for Assault, Robbery

ECUADOR

Office of Vice President Approved by Constitutional Commission (EL COMERCIO, 3 Feb 77) .....	25
Labor Organization Calls 1977 Year of the National Strike (EL COMERCIO, 7 Jan 77) .....	27
Increased Rural Migration Reported (EL TIEMPO, 2 Jan 77) .....	28
Price Index Shows an Increase for December (EL COMERCIO, 27 Jan 77) .....	29
Government Calls for Settlement of Problem With Peru (EL UNIVERSO, 7 Jan 77) .....	30
Agreement for Microwave Equipment Signed With Japanese Firm (EL COMERCIO, 1 Feb 77) .....	31
Increased Oil Production Reported (EL TIEMPO, 7 Feb 77) .....	32
Oil Figures for 1976 Reported (EL COMERCIO, 29 Jan 77) .....	34
Oil Production Figures for December 1976 Given (EL TIEMPO, 8 Jan 77) .....	35
Increased Spending Linked to Oil Era (EL TIEMPO, 26 Jan 77) .....	37
Electrification Project Costs Given (EL COMERCIO, 27 Jan 77) .....	39
Briefs Sugar Exports Authorized .....	41

CONTENTS (Continued)	Page
MEXICO	
PSR Reports on Its Interview With Lopez-Portillo (EL DIA, 13 Feb 77) .....	42
PCM To Hold Its 18th National Congress (EL DIA, 13 Feb 77) .....	43
Rocha Cordero: Most Illegal Arms Come From the USA (Jorge Reyes, Luis Segura; EXCELSIOR, 19 Jan 77) .....	44
Heavy Dollar Loss in 9-Month Period (EL DIA, 19 Jan 77) .....	46
PEMEX To Invest Heavily in New Methanol Production (EL DIA, 19 Jan 77) .....	48
PERU	
Cost of Living Rises in December 1976 (EL COMERCIO, 19 Jan 77) .....	50
Nontraditional Export Figures Rose in 1976 (EL COMERCIO, 13 Jan 77) .....	51
CPV To Increase Merchants Fleet (EL COMERCIO, 19 Jan 77) .....	52
Pisco Oil Exploration To Be Renewed (EL COMERCIO, 12 Jan 77) .....	53
Automotive Industry Shows Recovery in 1976 (EL COMERCIO, 15 Jan 77) .....	54
Briefs	
New Contract Aids Metals Industry	56
Radar Unit To Be Installed	56
Speculation on New Ministry	57
Communist Party Factionalism	57
Coal Prospecting Area	57

BRAZIL

## ACCUSATION, DENIAL OF POLITICAL TORTURE REPORTED

### DOI Accused of Torturing Suspect

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Feb 77 p 12

[Text] Attorneys for Aldo Silva Arantes, one of the individuals arrested during an army operation against the subversive "apparatus" of Lapa, entered a petition to the judge of the First Magistracy of the 2d CJM [Circumscription of Military Justice], claiming that their client was severely tortured on 27 January in the annex of the DOI-CODI [Department of Internal Order-Internal Defense Operations Center], where he had been taken.

When Aldo was allowed to see his mother and his attorneys at DOPS [Department of Political and Social Order] on 28 January, visiting day, he showed "evident signs of physical abuse," on his arms and the sole of his left foot. Covered with contusions and abrasions and walking with difficulty, the prisoner related that when he was taken from DOPS to DOI-CODI he was tortured from 0900 to 1930, and was not given any food.

The magistrate accepted the petition and sent an official note to the Second Army, asking for information. By yesterday afternoon the Second Army had not forwarded the information requested.

In their petition, attorneys Luis Eduardo Greenhalgh and Marcia Ramos de Souza said their client has been detained since 15 December on suspicion of having violated the Security Law. After being held incommunicado for the full period allowed, he was permitted to see his family and his lawyers at DEOPS [State Department of Political and Social Order], where he is being held.

"On the visit of 28 January," the document states, "the petitioners ascertained that their client and son had evident signs of physical abuse on his arms and the sole of his left foot; these signs consisted in the existence of contusions and abrasions." On questioning, the prisoner "explained that the lesions were the result of the abuse that he had suffered the day before in the annex of the DOI-CODI."

The attorneys noted that "it is the unquestioned obligation of the State to safeguard the physical well-being of its prisoners," and demanded that "this heartily grave illicit criminal practice" be stopped, "to preserve the physical and mental health of the prisoner," and that he be delivered at once to the competent judicial authority, that an expert examination be conducted immediately, and that his return to the DOI-CODI, Second Army, be forbidden, "even for temporary proceedings."

They also petition that the "detainee be removed immediately to another prison, to avoid reprisals."

A note from the mother of the prisoner, Dona Maria de Lourdes Silva Arantes, was also delivered to the judge. It stated that "as soon as I saw my son I could see that he was not in good physical condition. He walked toward us very slowly and with difficulty. He was visibly disturbed. As we sat down, we immediately saw that his arms were marked with large red bruises. I asked desperately what had happened, and he told me he had been tortured in the DOI annex throughout the day of 27 January."

She added: "The clothes he wore, your honor, were utterly filthy and tattered, and they were the same ones he had been wearing when he was arrested on 15 December of last year. He looked so bad that we asked permission for him to change into the clothes that had been left with DOPS earlier. Permission was granted. Throughout the visit we could see that my son had difficulty in sitting and walking.

"Your honor, it is impossible that a Brazilian citizen could come to be treated this way, even if he opposes the government. It is not possible that Brazilian justice closes its eyes to the kind of treatment to which my son is being submitted. I thought a lot before I wrote to you, because I am afraid that my action could bring greater suffering upon my son. But there are times when a mother cannot be still, even at the risk of greater evil. One of them is when she sees the marks of the brutality that has been inflicted on the body of her child."

Besides writing the letter, Dona Maria de Lourdes Silva Arantes sought out Cardinal Dom Paulo Evaristo and told him the details of the condition in which she had found her son. Neither the attorneys nor Dona Maria de Lourdes referred to the other five individuals who were arrested with Aldo Arantes, and who, like him, are being held in the DOPS pending completion of the inquiry. The latter should have been ended on 16 January, since the National Security Law allows only 30 days for its preparation.

#### General Denies Torture

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Feb 77 p 10

[Text] The First Army Magistracy of the 2d Circumscription of Military Justice received a document forwarded by Gen Dilermando Gomes Monteiro, commander

of the Second Army, declaring that Aldo Silva Arantes, who was arrested and charged with subversive activities, was not tortured in the annex of the DOI-CODI.

Responding to a request for information from the magistrate who heard the accusation of torture from Aldo's attorneys, the document states that Dilermando's conclusions are based on a medical examination. It is accompanied by a report drawn up by a night duty doctor of the Institute of Legal Medicine.

The pronouncement of the Military Justice attorney and the decision of the hearing magistrate on the document are expected on Monday.

6362

CSO: 3001

BRAZIL

GUZZELLI DOCUMENT RECOMMENDS PARTY REFORM

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Jan 77 p 4

[Text] In a document delivered to President Geisel last Wednesday, the governor of Rio Grande do Sul, Sinval Guazzelli, declared that the only way out of the present political impasse is party reform, bringing about conditions for the formation of at least four parties. According to political circles, the text stressed the importance of democratic legality. The same sources said that the document also recommends direct elections and opposes prorogation of mandates, although it respects the theory of coincidence [sic].

At a press conference granted yesterday in Brasilia, however, Guazzelli refused to divulge the nature of the suggestions that he has sent to the president of the republic, "because it would not be proper for me to do so."

Guazzelli is not alone in taking an initiative, Governor Paulo Egydio also intends to present his proposal for political reform. But first he wants to confer with the president of the republic himself, and when he knows how the president sees the political future of the country he will proceed with his project, if he and the chief of state have a meeting of minds.

While the governors are drafting their proposals, the Palacio de Planalto has announced that until 31 January, President Geisel will hear suggestions for political reform from major Arenist [National Renewal Alliance] leaders. In February the president will exchange ideas regarding the determinations that will constitute the message he will send to congress when it resumes legislative proceedings on 1 March.

"There Is No Other Alternative"

According to information gathered from reliable sources, Sinval Guazzelli's message to Geisel presented the thesis that only party reform would allow a conciliation between the government and the politicians of the opposition, whose only alternative today is to affiliate with the MDB [Brazilian Democratic Movement]. As it is now, the Arema has no meaning at all as a party, and the solution is to create the conditions for the emergence of at least four party organizations, conservative, liberal, social democratic and

socialist in orientation. This alone will open the way for the economic situation is serious, the solution can only be eminently political.

In line with his recent statements, Guazzelli has observed--according to the same sources--that any action that is taken on the basis of the election results will be "catastrophic" for the country, because the "objectives of the reform must be political, not electoral: they must be lasting, and cannot be altered according to the election returns."

Thus, while the Gaucho [Rio Grande] governor does not personally favor them, even indirect elections might be considered, if they are regulated: freely elected councilmen would choose the governors and a freely elected congress would choose the president of the republic. "The important thing is democratic legality," the Gaucho governor believes.

Guazzelli fears that an open debate on political reform with other governors could create undesirable resistance. This has not prevented him from maintaining continuing contact with the governors of Sao Paulo and Minas. He feels that there is a clear division between governors who are concerned with politics--like himself, Paulo Egydio, Aureliano Chaves, and the governors of Alagoas, Para and Santa Catarina--and the others, who are oriented more toward "technical details" and who do not understand the importance of the reforms for a good administration.

In drafting his recommendations for President Geisel, Guazzelli has been concerned with the possibility that forces on the right will drastically alter the present political order if the current politico-institutional impasse persists.

The governor is also preoccupied with the economic situation. In particular, he expressed the fear that economic difficulties--and possible social tensions--could make the politico-institutional impasse more acute.

This situation carries with it the danger of a radicalization.

#### Governor Seeks Definite Solution for Problems

During the luncheon given by Brasilia's political reporters, in the Senate, Sinval Guazzelli virtually confirmed the major reports gathered in political circles, although he reiterated that it was "impossible" to talk about the document he delivered to President Geisel. "It would not be proper for me to go into details, since it was sent to him. I will repeat, however, that I am against specious emergency measures. They do not solve problems, but only postpone and aggravate them. The problems turn up again tomorrow, bigger than before."

Asked by reporters why he had not consulted with Minas Governor Aureliano Chaves about his recommendations, he said: "I outlined some ideas. I talked with other people--with governors who visited Rio Grande do Sul, but the

recommendations were mine, and do not represent a summation of opinions. Now, we always learn something, we always pick up new ideas from other people. In the case of Governor Aurelio Chaves, I know his thinking as well as he knows mine. We have similar points of view."

The acting president of the Rio Grande do Sul Arena, Otavio Cardoso, stated in Brasília, however, that Guazzelli presented not only his personal point of view, but also that of the party, which in Rio Grande do Sul is in perfect agreement with the chief executive of the state. In drafting his document, the governor not only sought the opinion of the deputies, but of the executive committee of the Arena."

For his part, the president of the Arena, Deputy Francelino Pereira, considered the document "a contribution to Brazil's political development," but refused to say whether or not he had any knowledge of the nature of the suggestions.

In his interview, Guazzelli stated that he favored holding direct elections for the state governments. He admitted that a civilian could be the president of the republic, but qualified that "everything indicates that Geisel's successor will be a military man," and said that he is against the two party system.

"A multi-party system would please me, because I think it is difficult to contain the diverse currents of Brazilian political thought within two labels," he said, defending four parties as the "ideal." When reporters asked if this thesis was expressed in the suggestions to the chief of state, he said: "Draw your own conclusions."

Saying that President Geisel "had not appealed personally" to him to present his ideas on political reform, Guazzelli added that he does not believe that a multi-party system would foster collusion.

"It is necessary to distinguish between collusion and coalition. With authentic and mature political leadership, we can have the kind of coalition that at certain times of difficulty in the life of a nation can be healthy, fine, if it is done at the highest levels. Collusion is something else again."

He said that no Gaúcho deputy had suggested prorogation of mandates, which would meet with rebellion, and that he feels the concept of coinciding elections is of minor importance. "I admit that the subject of coincidence could be examined, and that it has some merits, but I do not feel strongly about it. It appears to have some virtue, some merit, but not far reaching. Prorogation is an expedient. I am against it."

#### Direct Elections

The Gaúcho chief executive also said that "both direct and indirect elections are democratic, although the former make it easier to contest true leadership.

"I am more favorable to direct elections, although I respect opinions to the contrary, such as that of Senator Paulo Brossard, who feels indirect elections are better."

Guazzelli admitted that "the candidate who does not know how to communicate cannot be elected. The ability to use the modern communications media is a requisite for a good candidate." "It is time to start moving politically, to prepare the Arena for the elections."

According to the governor, there are no candidates yet for the government of Rio Grande do Sul. "We feel it is a little early there." He did not want to comment on the suggestion of Senator Jose Sarney (Arena-Maranhao) that the MDB would not present a slate for the government of Rio Grande do Sul in 1978, claiming that it was "a joke. I know Sarney."

Asked if he thought the opposition victory in Rio Grande do Sul would mean the opening of a revolutionary flank, Guazzelli said: "Ask the MDB. They know what they are thinking. They must have some idea of what they are planning for the government."

He thinks the idea of reelection is valid, "but only for one term," and when asked if the next president of the republic could be a civilian, said: "It is possible, because it is legally possible, but I think it would be difficult, since I believe everything points to a military answer."

Guazzelli also said that he did not think the new United States president would interfere in Brazilian politics. "I would like to evaluate the conduct of Mr Carter in office first. I do not know to what extent he spoke as a candidate and as a future president." Finally, he explained that the suggestions he delivered to Geisel were "drafted in the face of Brazilian reality today. Maybe it's that I feel it is best that today not be tomorrow." [Sentence unclear.]

6362

CSO: 3001

BRAZIL

# NUCLEAR SHIP CONSTRUCTION DELAYED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Jan 77 p 12

[Text] Speaking for Minister Azevedo Henning, Navy Captain Armando Amorim Ferreira Vigdial said yesterday that in spite of present financial difficulties, the Navy has not definitely abandoned the program for the construction of a nuclear powered ship and submarine. The captain, who is an under chief of the office of the minister, explained, however, that "investments in this area now or in the near future would be foolhardy."

The statement was offered in an interview shortly following the ceremony in which Adm Maximiano Eduardo de Silva Fonseca was made director general of the Navy, succeeding Adm Eddy Sampiao Espellet, who has been named commander of naval operations, the fleet's highest post.

In a farewell speech, Admiral Espellet referred to the technological advances of the fleet, declaring that "we are now coming into automation, with gas turbines and digital computers, permitting the integration of the weapons system and guaranteeing a new era for the navy."

In an order of the day that was read on that occasion, the minister of the navy presented a "citation of merit" to Admiral Espellet, recalling some of his achievements, including the planning, construction and activation of an electronic station, the planning and initiation of construction of a missile station and the installation of a Support Center to provide programming for a naval tactical data processing system.

6362

CSO: 3001

## BRAZIL

### SHIPPING ACCORD SIGNED WITH MALTA

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Jan 77 p 12

[Text] Minister Azeredo da Silveira affirmed yesterday that the Brazilian visit of Malta's foreign trade minister served to confirm the establishment of a trading post for Brazilian merchandise in the archipelago. With the new accord, to be signed shortly by officials of the two countries, Brazil will have a trade outpost at its disposal in the middle of the Mediterranean, close to almost all the European markets.

According to Silveira, the major advantage of the agreement with the Maltese Government is that once Brazilian products are placed in the Malta outpost, they can be shipped quickly to the countries which have contracted for them, as the local shipping system is quite well developed, with ships integrated into an intermodal transport system. Most of them are small ships with the proper specifications to carry smaller cargos, which reduces the final cost of shipping and provides prompt delivery for Brazilian products.

The agreement to establish a Brazilian trading post in Malta has been under negotiation with the Maltese Government for some time.

Brazil is not the first country to adopt this system. The Maltese Government has been promoting it lately, as the economic potential of the archipelago is [otherwise] low.

6362

CSO: 3001

## COLOMBIA

### GOLD, PLATINUM, COPPER DEPOSITS DISCOVERED

Bogota EL ESPECTADOR in Spanish 22 Jan 77 p 8-A

[Text] A commission of technicians from the National Institute of Geological Mining Research (INGEOMINAS) has located numerous deposits of precious metals and industrial metals in the departments of Antioquia, Choco, Santander, Boyaca, Cauca and Tolima, according to a report on the activities of the institute in 1976.

Copper ore was discovered in several geological formations in the areas of Coredo, Antioquia; Paramo de Santurban, in Santander; in areas in Boyaca, and in areas of Cauca and Tolima. Gold and platinum formations have been detected in the basins of the Atrato and San Juan rivers, in Choco and in areas around Sucio River and Chigorodo.

Regarding research in the area of Bucaramanga, the INGEOMINAS report remarks: "The ores include gold, silver, galena, sphalerite, arsenopyrite and lesser amounts of chalcopyrite, tetrahedrite and uranium ores."

It adds that "the report was drawn up on geological inspection and geochemical prospecting for copper in the municipality of Bolivar, Santander, the main conclusions of which can be summarized as follows: the mineralization in the area consists essentially of copper sulfides that are developing mainly within the limestone of the Rosablanca formation. The sampling was restricted to the mineralized areas, and for this reason the figures obtained through spectrographic analysis for copper are high."

#### The Mountain Range

Concerning other exploration the document states: "As part of these activities a mining exploration program was begun in the eastern mountain range south of the Santander Massif, in order to locate and study potential deposits with characteristics similar to those known as 'Mississippi Valley' or less probably the 'Sabkha' variety."

During the field work prospects of the variety "copper in red layers" and areas favorable for lead and zinc were located. In addition, a seemingly favorable prospect of iron was found which merits further study.

Regarding the exploration in the Department of Cauca, it states:  
"Detailed geological cartography is continuing in the Dominical area, as well as geochemical prospecting in active sediments, soils and rocks. The area reveals mineralization essentially in lodes and, to a lesser extent, in scattered formations. The minerals in lodes consist of pyrite, silver, chalcopyrite, magnetite, molybdenite, pyrrhotite, antimonite, blende and galena."

#### Choco and Antioquia

The exploration in Choco and Antioquia is described by INGEOMINAS as follows: "The main alluvial deposits that are rich in precious metals are found in the San Juan River and its eastern tributaries, the most important being those in the Condoto, Opagado, Tamana, Novita, Cajon and Sipi rivers. The alluvial deposits in the Atrato River contain **minable** gold up to the mouth of the Arquia River.

"The most important zone was located in the area around the Sucio-Chigorodo River, especially in the area of the Araudo River. Its importance stems from the amount of broken stone and the quantities of gold and platinum in it, and for this reason it was chosen for more detailed studies with a view towards an economic assessment of the prospect.

"Another important area is located between the Chigorodo River, the Congo Ravine and the Chigorodocito River. It could contain 20 to 25 million cubic meters of fine to medium-size gravel with an average quantity of 232 milligrams of gold and platinum per square meter. The results obtained justify a drilling program there to determine the presence of deep alluvial deposits of gold and platinum."

#### Other Deposits

INGEOMINAS notes that "the alluvial gold probably originated in the large areas of **scattered sulfide mineralization** within the belt of igneous rock and veins of mineralized quartz that extend along the western flank of the Western Andes to Panama. The alluvial platinum comes from **ultrabasic rocks**. In the areas around Acandi-Unguia, the Sucio-Chigorodo River, Murri-Penderisco and Lower San Juan there are alluvial deposits containing precious metals of potential economic importance."

8743  
CSO: 3010

## COLOMBIA

### NEW CUNDINAMARCA COAL DEPOSITS DISCOVERED

Bogota EL ESPECTADOR in Spanish 28 Jan 77 p 1-A, 11-A

[Text] More than 3.74 billion tons of coal deposits, a large percentage of which are the coke-convertible kind, have been discovered by INGEOMINAS [Geological Mining Research Institute] geologists in an area between the municipalities of Cogua and Samaca.

Of the above total 1.4 billion tons are coke-convertible coal, whose extremely high quality puts it in the category of "rectifier coal," which is very useful in the iron and steel industry.

The exploration was revealed by INGEOMINAS in the following report:

"The Checua-Lenguazaque Coalbearing Basin: this basin occupies the central region of northern Cundinamarca and southern Boyaca, between the municipalities of Cogua and Samaca. Readings on existing information were done in an area of 275 square kilometers between the latitudes of Cogua and Guacheta, and based on this, advanced exploratory work was programmed to determine the geological and mining feasibility of the basin, as well as a production geology plan. This comes within the framework of agreements with Spain and other countries.

"The basin is part of the Checua-Lenguazaque synclinal structure in which two groups of coal strata are developing within the Guadas formation.

"On the eastern and western flanks of the syncline the upper group consists of bituminous coal strata, medium to high in volatile elements, low in ash and sulfur and with a high agglutinative capacity.

"The extremely high quality of some of the coke-convertible coal strata puts them in the category of 'rectifier coals' for coke-convertible mixtures. The thickness of the strata varies from 70 centimeters to 3 meters.

"There are good grounds for anticipating that the content of volatile elements will decrease at deeper levels, which would make possible the presence towards the middle of the structure of higher quality coke-

convertible strata than those found along the flanks. There is even reason to expect that some strata in the upper group are coke-convertible.

"The preliminary results on reserve estimates for the 275 square kilometers are as follows:

Coal in situ, lower group, Guadas formation: 2.76 billion tons; coke-convertible coal, 1.045 billion tons.

Extractable coal, lower group, Guadas formation: 980 million tons; coke-convertible coal: 410 million tons."

8743

CSO: 3010

NEW CARTER CABINET EVALUATED

Biographies of Cabinet Members

Havana BOHEMIA in Spanish 31 Dec 76 pp 70-71, 81

[Article by Aldo Menendez: "United States: Carter's New Lineup"]

[Text] Referring to the new government team that President James Earl Carter announced last Wednesday 22 December--as a kind of 1976 Christmas card to the American people--our logic will be predominantly based on cabled reports. Nevertheless, we will note some elements which might enable the reader--beginning with an exact and objective analysis of the concrete realities of the personalities we will mention--to draw conclusions which could give him a perspective on the new administration's probable conduct.

Cyrus Vance, who will replace the traveling Kissinger as secretary of state, was a prominent official in former President Lyndon B. Johnson's administration. Vance will surely be a more or less evident vector in Carter's foreign policy decisions.

Michael Blumenthal, Secretary of the Treasury, also a former member of the Johnson administration, is a top industrial leader and president of the Bendix Corporation, which manufactures automotive equipment parts. A liberal with a reputation for "toughness," his friends call him "the conscience of the U.S. business community."

For Secretary of Defense, Carter has appointed Harold Brown, another former Johnson man. This is one of the key positions, not only from the military standpoint, but within the U.S. financial-industrial structure--currently in a period of acute crisis of capitalism--from the point of view, also, of its economy.

Brown is one of America's top nuclear arms specialists. He earned a degree in nuclear physics and later did research in this field at the Universities of Berkeley and Columbia. Between 1961 and 1965, he headed the Pentagon's Bureau of Atomic Weapons Research and is very knowledgeable on the course of the SALT talks with the Soviet Union.

Brown agreed with the massive bombing of Hanoi, capital of the Vietnamese Democratic Republic, though some sources consider him an advocate of expansion.

Brock Adams, who was appointed Secretary of Transportation, is an attorney and economist who has tenaciously defended the interests of America's big railroad companies. This tenacity has helped to deepen even further the division of the American working class.

Robert Berlander, who has been designated Secretary of Agriculture, is little known outside strictly congressional circles.

Patricia Harris, a distinguished black Washington lawyer, will assume the leadership of Housing and Urban Development, while economist Juanita Kreps, vice president of Duke University in North Carolina, will become Secretary of Commerce.

Joseph Califano, who will be Secretary of Health, Education and Welfare, was also a trusted adviser of former President Johnson.

Ray Marshall, Secretary of Labor, is a specialist on the question of "employing racial minorities."

Griffin Bell has been designated Attorney General.

As security affairs adviser, Carter has chosen Zbigniew Brzezinski, a Columbia University professor.

"Zbig," as his friends call him, is--like Kissinger--a product of the university promotions which provided the anticommunist armies of the McCarthy era, and of the Rockefeller clan's "Think Tank."

Mr Brzezinski is a capitalist ideologist and author of the theory of "erosion" of the socialist countries. "Zbig" is a fervent proponent of the policy of "individual treatment" of the International Revolutionary Movement and the Third World socialist countries--with the obvious objective of dividing them. He is one of the "shapers" of an anticommunist "new style," and one of those who boil in the same kettle and with the most perverse objectives, the critics of the most reactionary aspects of capitalism, along with airs of petty bourgeoisie liberalism.

Charles Schultze, also a former Johnson official, has been chosen chief of the White House economic advisers.

Schultze is a representative of the upper middle class, and his recent study on the consequences of oil price increases won him a certain recognition. In his study, Schultze proposes that "the increases be compensated for by measures to reactivate the economy, including tax reductions," steps directed toward concealing the protection of big American petroleum trusts.

In the Budget Office we have Thomas Lance, a prominent Georgia banker.

The leadership of the Central Intelligence Agency will go to Theodore Sorensen, a "fresh" figure after the successive scandals prompted by the agency's sinister conduct.

Of Sorensen, the AFP cable says: "He has been a Kennedy family intimate for more than 20 years. He is a pillar of the clan and from 1960 to 1963 was President John F. Kennedy's closest White House adviser. He was at Kennedy's side during the Bay of Pigs disaster and the following year during the dramatic hours of the October Crisis."

Charles Duncan, another key figure as Assistant Secretary of Defense--the cable says--offers as the best guarantee of his resources "the memory of his talents as an organizer and his ability in business strategy which helped him become--only 12 years after joining the firm--the president of the Coca Cola Company.

With the appointment of Patricia Harris, Carter fulfills his goals of forming a multiracial cabinet and of including women, despite the fact that he was hurt by a negative response from, among others, Barbara Jordan, democratic congresswoman from Texas.

Here we might also mention the appointment of Andrew Young as ambassador to the United Nations, announced with much fanfare by the capitalist press agencies, with the offensive line, "the entrance of the first black to represent the United States at the UN." This also illustrates Carter's purpose as to the composition of his team.

The appointment of Griffin Bell as Attorney General immediately drew sharp criticism from the civil rights movements, which accused him of opposing racial integration. Bell responded by resigning from three exclusive Georgia clubs that exclude blacks from their membership. By this action, in effect, Bell saves himself much breast beating in the future.

Lance, director of the federal budget, has followed Bell's example in asking to be dropped from the three exclusive clubs.

Not long ago, the black pastor, Clermon King, after numerous attempts, was allowed to attend religious services at the Baptist Church in Plains, Georgia, Carter's home town, until then exclusively for whites. But to achieve this, the intervention of the President himself was necessary.

The South, today the site of large national military-industrial complexes, is still the "deep South." True, its mores have changed. The three sinister crosses of the Ku Klux Klan have become obsolete. The shadows of the feudal masters and the horse thieves of Quantrill have passed on, along with those of the gamblers and common politickers who succeeded them after the Civil War.

Now Carter, a new-style southerner, will begin to lead the destiny of the United States with a team which abounds in southerners, industrial and financial magnates and some blacks and women. A few years ago, the composition of his cabinet would have been surprising. For the moment, we don't wish to draw conclusions, which would, necessarily be premature.

But it is evident that the team presents interesting characteristics, such as its average age of not over 50; that is, it is a young team. The intellectual level is high and conforms to the new administration's probable strategy in the area of the ideological struggle.

The appointment of this cabinet confirms the fact that it is in this last and important aspect of ideology where the struggle between capitalism and socialism will sharpen in the coming years.

#### Unemployment and Discrimination

Havana BOHEMIA in Spanish 31 Dec 76 p 87

[Text] Delicate filigrees, those of the soon-to-be President Jimmy Carter, weaving the fabric of his first government cabinet. It is not an easy job to conciliate interests and contradictions, starting off on a more or less even footing with the diverse factors that contributed to his electoral victory. Nothing exceptionally serious, however. These are the problems and headaches inherent to the responsibility of leadership. In the end, they all fall under the broad mantle of the system, each with its own characteristics and hues. Besides, the gentleman from Plains seems able and skillful in the art of mending political fences and in balancing representation. Notice has flexibly he righted the situation of Griffin Bell, minimizing the protest created by his appointment as Attorney General. Mr Bell, a pure Dixie-style southern blueblood, displays a disturbing record on the question of civil rights. He is a prominent member of a group of southern "high society" clubs to which blacks are admitted only as porters or cleaning boys. Carter, working quickly, makes amends to the so-called liberal wing by appointing Patricia Roberts Harris, a lawyer and professor, as head of Housing and Urban Development. She fulfills the double requisite of being a woman and a black. Equally, Carter makes Bell resign from the discriminatory clubs, turning in his membership cards because, in his words, "his new attributes constitute a symbol of equality under the law." The brand-new attorney general's modest gesture calls to mind the bawdy tale about selling the sofa to erase every vestige of the sin.

Beyond appointments and biographical files, the solution of the establishment's chronic failings does not depend upon the pigmentation of skin or the sex of a particular official, whether hawk or dove, liberal or conservative. Unemployment and discrimination, traveling arm in arm like twin brothers, prepare their welcome for the new leader. A news story these days anticipates the [inaugural] ball. In San Diego, California--in the city as well as in the county--there is discrimination against blacks, women and

ethnic minorities. Their access to any source of employment not under conditions of humiliating exploitation is barred. This places the rosy tales of the wonderful land of "equal opportunity" in a ridiculous light. The great masses of hispanic or Mexican descent lead a harsh life. Second or third class citizens in a land that once belonged to their fathers and grandfathers, the greedy invasion of the Americans leaves them nothing but nostalgic memories and a treasury of Spanish names. There isn't a saint of a particular hierarchy that is not represented on the California map: San Pedro, San Francisco, San Diego, San Clemente, San Bernardino and so many others, appear as reverend and pious souls in the Catholic roll of saints.

In the particular case of San Diego, the accusing official figures appear on the state and municipal payrolls themselves. Of the city's 5,693 municipal employees, only 7.5 percent are of Mexican origin, while not more than 16.5 percent are women. In the county offices, the number of women increases, but in contrast, blacks do not exceed 5 percent and the chicanos are even fewer, or 4 percent. It is idle to note that, save for some "window display" exceptions, these minority groups may aspire only to the hardest and worst-paid jobs. As we can see, problems this deep cannot be solved by presidential appointments. The situation in San Diego--a reflection of a situation that affects the whole country--is beyond the possibilities of Mrs Roberts Harris and the worthiest rectifications of Griffin Bell.

8631

CSO: 3010

CUBA

#### FAR SPECIAL PRODUCTION CENTERS HOLD MEETING

Havana GRANMA in Spanish 31 Jan 77 p 4

[Text] The annual meeting of the FAR [Revolutionary Armed Forces] Special Production Centers was held in this capital. The event, which met for 2 days, reviewed the work performed during 1976 by these production units. The concluding remarks were made by Maj Gen Senen Casas Rodriguez, vice prime minister, chief of the General Staff and member of the Central Committee of the party.

In its opening session, the meeting heard the main report, read by Col Augusto Martinez Sanchez, as well as special speeches by Ivan D. Nikulin, who spoke on behalf of the Soviet specialists; Julio Machado Tamayo, chairman of the Organizing Committee of the National Union of Civilian Workers in the FAR; and Lt Col Rafael Bernal, who discussed emulation activity in these centers.

Subsequently, the participants in the meeting were divided up into four working committees in which documented reports concerning the topics handled by each committee were discussed.

Speeches were made in the plenary session on the second day by Aldo Pavon, of the National Union of Civilian Workers in the FAR, who discussed methods for checking on emulation in 1977; Lt Col Jose R. Legro, Corps of Engineers; and Felino Quesada, of the Central Planning Board, who discussed the steps being taken in Cuba with a view to establishing the new system of management of the economy.

When he made the concluding remarks in the meeting, the vice prime minister, chief of the General Staff, analyzed the general status of the work performed last year and discussed the main guidelines of the FAR Special Production Centers for 1977.

The following were on the speakers' platform, among other comrades: Vice Adm Aldo Santamaria Cuadrado, vice minister and chief of the MGR [Revolutionary Navy]; Maj Gen Rigoberto Garcia Fernandez, vice minister and chief of the Combat Readiness Bureau, both members of the Central Committee; Lester Rodriguez, minister of iron and steel machinery industry; Lt Gen Sergey Krivoplazov, head of the Soviet military specialists working in Cuba; other senior officers and officers of the FAR and representatives of central agencies of the state.

CUBA

#### YOUNG COMMUNISTS HOLD MEETING IN FAR HOUSING DIRECTORATE

Havana GRANMA in Spanish 27 Jan 77 p 4

[Text] The Union of Young Communists in the Central Directorate for Construction and Housing of the Revolutionary Armed Forces [FAR] has held its first conference.

The following were in the chair: Col Filiberto Olivera Moya, member of the Central Committee of the party; Col Carlos Lahite Lahera, chief of the FAR Central Directorate for Construction and Housing; Col Manuel Penado Casanovas, first deputy of the chief of the FAR Political Bureau; and Col Joel Iglesias Leiva, chief of the FAR Housing Construction Bureau.

The following also chaired the activity: Lt Col Jose Castro Puente and Lt Col Gustavo Lovet de Mora, as well as other officers.

Under the motto of "For a Communist attitude in building socialism" and after the playing of the national anthem, the activity was opened and the chair was elected.

With the approval of the agenda and of the rules of the conference, they proceeded with a reading of a summary of the main report.

The achievements were pointed out in it and the shortcomings were analyzed critically. It covered topics like ideological work, support afforded to production and the performance of services, care, maintenance and utilization of technology, military and labor discipline, living conditions, joint activities with the UJC [Union of Young Communists] and the UPC [Cuban Pioneers Union], the brigade movement and the organization's internal activity.

During the discussion of the main report, a number of delegates made special speeches approved by the plenary session.

The chief of the FAR Central Directorate for Construction and Housing made a special speech in which he saluted the organization for the work achieved and emphasized the importance of the work being performed by the UJC with young persons in military construction.

Subsequently, the delegates to the Third UPC Congress and a precandidate for membership on the National Committee were elected.

After these elections, the summary minutes were read and approved unanimously by resolution of the conference in which it was decided to continue to work toward careful, dedicated compliance with the decisions of the First Party Congress and to implement the ones approved in the Third UJC Congress.

It was also decided for each organization to carry out intensive activity in connection with the 11th World Youth and Student Festival, to increase the performance of activities contributing objectively to fulfillment of production or services projects, to systematize activities for the care, maintenance and utilization of technology, to make an effective contribution to improving discipline and the living and working conditions of the personnel.

The concluding remarks were made by Col Manuel Penado Casanovas, who pointed out that, with this conference, the UJC in the Central Directorate for Construction and Housing of the Revolutionary Armed Forces is bringing the assembly process to a successful conclusion.

He stressed his profound pleasure in evaluating the level of work attained by the UJC displayed in the high sense of responsibility with which leaders and members have tackled the tasks of the third congress.

Colonel Penado Casanovas emphasized the importance of the spirit of criticism and self-criticism that has prevailed in the whole process, the observation of the principles and rules governing the organization's activity, the mastery and practical application of the principles of democratic centralism, as well as the attention paid to an analysis of compliance with the decisions of the Second UJC Congress and the decisions and resolutions of the historic First Congress of the Communist Party of Cuba.

10,042

CSO: 3010

'GRANMA' REPORTS LAW AND ORDER CASES

Robbery Draws Six-Year Term

Havana GRANMA in Spanish 5 Feb 77 p 3

[Text] Gaspar de Jesus Larrondo Leon, of Cifuentes, Las Villas Province, broke the lock protecting the entrance door of the residence of Gustavo Lopez Gonzalez and entered the dwelling from which he took a radio, a pair of pants and a bicycle, which were seized from him subsequently. He also stole a wristwatch that could not be recovered. The value of the stolen property was estimated at 375 pesos.

In the oral proceeding, held in the the Criminal Division of the Las Villas Provincial Court -- Case No 41 of 1976 -- the prosecutor pointed out the harm done to society by individuals who do not respect the property acquired by citizens by means of their work. The prosecutor added that the Revolutionary Government, heeding the demand of the people who repudiate these anti-social manifestations, modified the penalties by making them more severe. These modifications are in accordance with the need for eradicating vices inherited from the already disappeared capitalist society. The prosecutor concluded his pleading by requesting the workers' active participation in the struggle against delinquents and other antisocial individuals who violate socialist legality.

The Criminal Division of the Las Villas Provincial Court sentenced the accused, Gaspar de Jesus Larrondo Leon, to a 6-year prison term, as perpetrator of an offense of larceny committed by breaking and entering.

Six-Year Term for Assault, Robbery

Havana GRANMA in Spanish 2 Feb 77 p 3

[Text] The accused, Pedro Fuente Utria, left the Tropicana cabaret, in the early hours of the morning, together with Rolando Ramirez Echevarria, whom he had met in that nightclub.

When they arrived at the corner of 41st and 76th Streets, under protection of the darkness of the place, he struck Ramirez Echevarria by surprise on the back of the neck, making him fall to the ground. He took advantage of this opportunity to rob him of his Poljot wristwatch that he was wearing, valued at 150 pesos, and also took his industrial products record book.

The Second Criminal Division of the La Habana Provincial People's Court classified the acts, which it declared proved, as constituting an offense of robbery by violence to the person and sentenced him to six years in prison.

The People's Supreme Court confirmed that sentence.

In his pleading, the prosecutor stated that, in order to protect the interests of the citizens, the government, in response to the people's demand, modified the Social Defense Code and made the penalties more severe against those who, like the accused, do not respect the rules of socialist coexistence and attempt to take another's property.

#### Street Robbery Penalized by Six-Year Term

Havana GRANMA in Spanish 31 Jan 77 p 3

[Text] During the night of 6 March 1976, the accused, Pedro Luis Garcia Andino, was in the cabaret in the town of San Pedro de Mayabon. When he observed and heard that Nancy Carrera Morejon, 17 years old, was feeling ill and told a cousin of hers that she was going home, he began to follow her stealthily.

When the young lady had gone a good distance and was walking down Domingo Ramirez Street, he came in front of her, rushed at her, seized her hard with his hands and snatched from her an 18-carat gold chain, worth 200 pesos.

Three days later, the accused was arrested in San Juan de los Yeras. He denied that he had the chain. Nevertheless, it was seized from him, when a search was made in his home, and it was returned to its owner.

The Criminal Division of the Matanzas Provincial People's Court, in Case No 201 of 1976, classified the acts, which it declared proved, as constituting an offense of robbery by violence to the person and sentenced the accused, Pedro Luis Garcia Andino, to 6-years in prison.

The People's Supreme Court confirmed the sentence, pointing out that "the violent act of snatching from the victim something owned by the victim constitutes an offense of robbery by violence to the person and not an offense of theft, which consists of those acts of taking another's things or belongings, when there is, in its execution, no violence or threat of violence to the person."

### Thirty-Year Jail Sentence for Assault, Robbery

Havana GRANMA in Spanish 8 Feb 77 p 3

[Text] The People's Supreme Court has confirmed a 30-year prison sentence pronounced on an accused as immediate perpetrator of an offense of robbery by violence to the person.

The accused, Enrique Antonio Mazorra, entered a grocery store located at the corner of 6th and 11th Streets, in the Ciudadamar District, San Miguel del Padron, at approximately 1145 hours on 9 November 1975. Taking advantage of the fact that the grocery store owner, Felix Rocha Caballero was alone, he took up a knife that was on the counter and threw himself on him to rob him of his belongings.

Since the victim tried to defend himself from the criminal assault, Enrique Mazorra inflicted several knife cuts on him, causing wounds that disfigured his face.

Under those circumstances, he succeeded in snatching a gold chain from the victim and took flight hastily.

The La Habana Provincial People's Court classified the acts, which it declared proved, as constituting an offense of robbery by violence to the person and sentenced the accused to 30 years in prison, as requested by the prosecutor and as confirmed by the People's Supreme Court.

The accused, Mazorra Aguila, 27 years old, a MINCIN [Ministry of Domestic Trade] longshoreman, of known bad social behavior, was accused on two occasions of the offense of threat and another time for the offense of theft and was sentenced by writ of execution by the Havana Court for the offense of serious injury.

10,042

CSO: 3010

ECUADOR

OFFICE OF VICE PRESIDENT APPROVED BY CONSTITUTIONAL COMMISSION

Quito EL COMERCIO in Spanish 3 Feb 77 p 1

[Excerpts] After  $8\frac{1}{2}$  hours of debate on 2 consecutive days, the first judicial commission yesterday approved the inclusion of the office of vice president of the republic in the draft constitution. The decision was passed by the narrowest of margins, six to five.

Pursuant to yesterday's decision, the draft constitution sets forth the same requirements for vice president as for president, requirements that have not yet been specified by the first commission.

As a result of this decision, the vice president will be the president of the republic's ex officio alternate, both in temporary and permanent cases.

Debate and Report

The adoption of this resolution was preceded by  $8\frac{1}{2}$  hours of hard debate over 2 consecutive days. The topic of a presidential substitute was put under study yesterday, but the commission members failed to reach an agreement. On the contrary, the opposing opinions that were expressed led the chairman of the commission, Dr Carlos Cueva Tamariz, to appoint a three-member subcommission to draw up a report on the issue that would be the basis for the recommencement of debate.

Opinions Expressed

During the  $8\frac{1}{2}$  hours of discussion that preceded the final decision, the advocates of a vice presidency maintained that a replacement for the chief of state must come from the sovereignty of the people through their votes and that, moreover, the figure of a vice president would guarantee national integration since he would probably come from a different region of the country than the president.

Those opposed said that the existence of the office of vice president of the republic would constitute an acceptance of regionalism, precisely because

the 2-man slates would be chosen almost always with solely their geographical balance in mind. Aside from this, they said, the vice president usually becomes a conspirator thwarting government action in the hope of replacing the president.

8743

CSO: 3010

ECUADOR

LABOR ORGANIZATION CALLS 1977 YEAR OF THE NATIONAL STRIKE

Quito EL COMERCIO in Spanish 7 Jan 77 p 20

[Text] Guayaquil, 6--The Ecuadorean Confederation of Christian Labor Organizations [CEDOC] called 1977 the year of the second national strike.

The first took place in 1975, organized by CEDOC, CTE [Confederation of Ecuadorean Workers] and CEOSL [Ecuadorean Confederation of Free Union Organizations] to demand fulfillment of a nine-point platform oriented principally toward obtaining a general increase in wages and salaries, nationalization of the petroleum industry, fulfillment of agrarian reform and other structural changes. Criticizing the military government's action, CEDOC complained that after 5 years of military rule, with all hopes for necessary reforms dashed, we return to the starting point of another political crisis.

CEDOC said that for us the fundamental aspect of a government is not so much its origin or whether it is civil or military, but rather the program it is prepared to carry out. It is the lack of fulfillment of certain measures, fundamentally those that are stated in our 9 point program, that will determine whether we support a given government action.

It ended by saying that, consequently, we proclaim 1977 the year of the second national strike, which will demonstrate our firmness, willingness to fight and resolution in the defense of our interests, which are the interests of the authentic people of Ecuador.

9020

CSO: 3010

ECUADOR

INCREASED RURAL MIGRATION REPORTED

Quito EL TIEMPO in Spanish 2 Jan 77 p 1

[Text] The urban areas of Ecuador have a high index of immigrant population that generally comes from the country and the small cities and concentrates itself in the large cities.

Technical reports on the subject show that out of 2,840,212 inhabitants of urban zones, 1,060,905 are immigrants, a figure representing 38 percent.

The city of Quito, for example, is the urban zone with the largest percentage of immigrant population, the majority of which comes from the inter Andean passageway. The reason is that during the last 10 years, the capital of the Republic has made great strides in the areas of manufacturing and construction, which has created new sources of jobs.

The population that has settled in Quito comes from the provinces of Pichincha, Cotopaxi, Imbabura, Chimborazo, Guayas, Tungurahua, Carchi, and 10 percent is foreign.

In the city of Guayaquil, the percentages of immigrant population reaches 33 percent. The majority comes from other urban zones, according to the study.

In addition, the report states that the greater part of the immigrant population has a primary level education, 25 percent has a secondary education and 6 percent has a university education.

9020

CSO: 3010

ECUADOR

PRICE INDEX SHOWS AN INCREASE FOR DECEMBER

Quito EL COMERCIO in Spanish 27 Jan 77 p 12

/Text/ Price indexes of food, beverages, clothing, housing and other items rose by 1.1 percent in the past month of December compared to November 1976, but in relation to December of 1975 the increase was 13.1 percent, according to the latest report of the National Institute of Statistics and Census.

In the month of December 1976 all the component groups reflect an upward tendency, among which food and beverages stand out with 6.5 points and in lesser proportion the following: clothing 1.3 points, miscellaneous 0.3 and housing 0.2 points.

Between the months of November and December 1976 the index of the food and beverage group recorded a rise of 1.8 percent, whose effect is recorded in the general index in a special way owing to its great weight, the principal cause being the high number of subgroups which had increases, as follows: tubers and derivatives, 62.6 points; fresh fruits 30.4; restaurant meals 26.4; sugar, salt and condiments 8.5; other food products 5.0; legumes and derivatives 4.6; coffee, tea and carbonated drinks 4.5; fish and shellfish 4.3; milk, milk products and eggs 1.4; fresh vegetables 1.1 and meat and processed meats 0.1. The cereal and derivative subgroups, as well as edible fats and oils, dropped 8.5 and 1.5 points respectively. The alcoholic beverages subgroup remained unchanged.

In the month being discussed prices of the following articles rose in the percentages indicated, as follows: cabbage 38.3; oranges 34.3; green oranges 26.0; lettuce 14.5; papaya 14.2; yucca 13.1; table salt 11.2; green beans 10.8; potatoes 10.6; carrots 10.2; chocolate 10.0; brown sugar loaf 9.5; green peas 8.3; ears of corn 8.1; peanuts 6.4; eggs 3.8; sugar 2.9; tuna 2.8; sweetened chocolate 1.9; cauliflower 1.4; butter 1.2; catsup 0.9; spaghetti 0.5; rice 0.5; pasteurized milk 0.3 and beef with bone 0.2.

For the following group of articles prices fell in the percentages shown, as follows: avocado 20.1; tomatoes 17.7; garlic 14.0; ripe plantain 13.4; red onions 12.0; white onions 6.6; bread 3.5; fresh lima beans 3.0; cheese 1.4; gumeo 1.4; lemons 0.8; lard 0.7; boneless beef 0.4 and sea bass 0.1.

Prices of the following foodstuffs remained stable: oatmeal, poultry, vegetable shortening, dried lima beans, lentils, dried beans, ground coffee, instant coffee, carbonated water, dried soups, beer, brandy and rum.

9015

CSO: 3010

ECUADOR

GOVERNMENT CALLS FOR SETTLEMENT OF PROBLEM WITH PERU

Guayaquil EL UNIVERSO in Spanish 7 Jan 77 p 1

[Text] Quito, 6--(AFP)--The new Ecuadorean Foreign Affairs Minister Jorge Salvador Lara, today (yesterday) called for a solution, based on an honorable conciliation and fraternal understanding, of the territorial problem with Peru.

Salvador Lara denounced the play of foreign powers in Latin America that are interested, he said, in sowing discord and in producing a belligerent atmosphere, and he asked for immediate action on an international level in order to dispel the threat.

In addition, he stated that the legal community of the Southern Pacific that brought Chile, Peru and Ecuador nearer, and the joint defense of the laws of the sea have shown the advantage of peaceful and civilized understanding.

The foreign affairs minister stated that, for this reason, Ecuador wishes that justice be done and that its territorial problem with Peru be resolved.

The minister supported the Bolivian proposal for an opening to the sea.

9020

CSO: 3010

ECUADOR

AGREEMENT FOR MICROWAVE EQUIPMENT SIGNED WITH JAPANESE FIRM

Quito EL COMERCIO in Spanish 1 Feb 77 p 3

[Text] The minister of public works and communications, Gen Angel Polivio Vega, returned to the country yesterday from Japan.

The ministry revealed that he had traveled to Japan on an official mission.

In Tokyo the public works minister visited the facilities and branches of Nisho Iwai Company, with which an agreement was formalized for the supply of equipment and tools for the microwave system that the Ecuadorean Telecommunications Institute will set up in order to automatize national telephone service.

According to information from the ministry, the automatization program is now underway, and pursuant to the work schedule, if the same pace of operations is kept up with regard to the installation as well as the incoming equipment and tools under contract, our new and modern automatic telephone system connecting all of Ecuador's provinces will go into service ahead of contract schedule.

8743  
CSO: 3010

## ECUADOR

### INCREASED OIL PRODUCTION REPORTED

Quito EL TIEMPO in Spanish 7 Feb 77 pp 1,8

[Text] Oil production in the northeastern region of the country increased 20 percent according to official indicators. Statistics from the General Directorate of Hydrocarbons indicated this increase over figures recorded previously.

In pointing out the oil production levels for the hydrocarbon fields in the eastern region, which reached 6,311,832 barrels of crude during the past month of October, the General Directorate of Hydrocarbons noted that this amount means a rise of 20.4 percent over the output level recorded in the same period in 1975.

#### New Increase

According to official government plans that will be carried out through the Ministry of Natural Resources and Energy and the Ecuadorean State Petroleum Corporation, this year's oil production quota for the eastern region will be increased to 240 (sic) barrels a day. This involves the reconditioning of several wells that are being developed by the Ecuadorean State Petroleum Corporation-Texaco consortium, and includes the quota of crude oil to be provided by the Supco Company, which is operating in association with the corporation; initially this quota will be 10,000 barrels a day.

The increase in the rate of oil production in our country is certainly in contrast with the strategy being pursued by several members of OPEC as a result of the pricing policy in effect for world marketing after Saudi Arabia and the Arab Emirates decided to raise crude oil prices only five percent and to boost production simultaneously.

#### Prospects

The uncertain situation in this area will be cleared up if at their next summit meeting the OPEC members adopt Qatar's plan, whose central point is the establishment of a single pricing policy. The proposal by Qatar,

which Ecuador and Venezuela will support, suggests that, starting in June, oil prices be frozen by the countries that increased their world market prices 10 percent. In that same month Saudi Arabia and Abu Dhabi would raise their prices five percent, thus consolidating crude oil prices on the world market.

8743

CSO: 3010

OIL FIGURES FOR 1976 REPORTED

Quito EL COMERCIO in Spanish 29 Jan 77 pp 1, 11

/Text/ Sales of crude oil for 1976 reached \$564,986,000 (14,124,650,000 sucres), according to export licenses issued by the Central Bank during that period.

The figure represents the second highest total recorded during the years the country has been exporting hydrocarbons, since from August to December 1972 sales yielded gross revenues of \$60,055,000; in 1973 the value of the export licenses reached \$249,691,000; in 1974 it reached its highest level, when the export documents reflected a total of \$614,580,000 and in 1975 it reached \$515,867,000.

The recovery in foreign sales during the last months of the past year contributed positively to revenues from petroleum operations, as shown in the figure cited above.

During the first half of 1976 export licenses amounted to \$264,292,000 (6,607,300,000 sucres), representing 46 percent of sales for the entire year.

The month of July had the lowest revenue from foreign sales of hydrocarbons, as it amounted to \$23,045,000, a situation resulting from continuing interruptions in the cross-country pipeline caused by breaks in the line from washouts.

Nevertheless, in August sales were \$48,474,000; in September \$51,980,000; in October they reached \$58,762,000; in November \$57,968,000 and in December the highest volume of sales for the year was recorded with export licenses totaling \$60,465,000.

Petroleum exports during the past year reached 61,326,505 barrels, a figure which, with the exception of shipments in 1973, constitutes the highest volume exported since the start of sales of hydrocarbons to international markets.

## ECUADOR

### OIL PRODUCTION FIGURES FOR DECEMBER 1976 GIVEN

Quito EL TIEMPO in Spanish 8 Jan 77 p 5

[Text] According to an official spokesman, the rate of oil production for last December in the northeastern region of the country reached 218,036 barrels per day. The average achieved agrees with the levels established by the Ministry of Natural and Energy Resources, with the allowed variation of 5 percent.

Meanwhile, the exports of crude oil from the eastern region reached 5,387,965 barrels during the same month, establishing an average of 179,598 barrels per day.

#### Summary of Activities

An official spokesman for the Ministry of Natural and Energy Resources outlined the principal activities developed in the hydrocarbon fields of the eastern region.

The Ecuadorean Federal Oil Corporation [CEPE] drilled the Tivacuno well no 3 reaching, on 27 December 1970, a depth of 9,311 ft.

The Consortium CEPE-Texaco-Gulf drilled the Sacha 84 well reaching, on 27 December 1976, a depth of 9,825 ft. They then transported the drilling equipment to the West Sacha well I which, in turn, on 31 December 1976, reached a depth of 2,287 ft and they continued drilling.

#### Production

The production of crude oil in the eastern region amounted to 6,759,119 barrels, with a daily average of 218,036 barrels.

#### Pumped Crude Oil

Through the trans-Ecuador pipeline 6,538,773 barrels were pumped, with a daily average of 210,928 barrels of crude oil, in order to increase the stock of the Balao terminal and meet the demands of the internal and external markets.

## Exports

Exports reached 5,387,965 barrels, which were sent to the following countries: United States 19.7 percent; Panama 29.9 percent; Peru 15.8 percent; Chile 8.1 percent, Curazao 4.0 percent; Trinidad 7 percent; Colombia 4.2 percent; and Canada 11.3 percent.

The breakdown of the total exports is as follows:

Company	Foreign	Compensation	Total
CEPE	1,043,835	93,768	1,137,603
Texaco	2,217,246	140,654	2,357,900
Gulf	1,751,808	140,654	1,892,462
Total:	5,012,889	375,076	5,387,965

## Cabotage

For the internal consumption of the Anglo and Gulf refineries, 585,728 barrels of crude oil were dispatched, which amounts to 8.7 percent of the production from the eastern region.

9020

CSO: 3010

# INCREASED SPENDING LINKED TO OIL ERA

Quito EL TIEMPO in Spanish 26 Jan 77 pp 1, 8

/Text/ Consumption in Ecuador has tripled since the beginning of the petroleum era, without counting the increases in prices from inflation. In any case, in 1975 Ecuadoreans consumed goods and services worth approximately 77,365,000,000 sucres, which is an increase of 24.2 percent over 1974.

On the other hand Ecuadorean consumption in 1971 was 30 billion, but starting in 1972 it rose at an accelerated rate, according to a report from La Filantropica Bank which publishes data from the Joint Andean Study.

## By Year

In 1970 total consumption in the country was 28,309,000,000 sucres; in 1971 it rose to 32,049,000,000, which is an increase of 15.5 percent.

In 1972, the year in which the exploitation of petroleum from the deposits in the northeast began, Ecuadoreans consumed goods and services worth 35,997,000,000 sucres, which in percentage terms represents an increase of 10.1 percent in relation to the consumption recorded in 1971.

In 1973, the first full year of petroleum exports, it is calculated that total consumption rose to 45,069,000,000 sucres, meaning that in that year the growth in consumption was 25.2 percent, compared to the figures for 1972.

In the year of greatest growth in the Ecuadorean economy, that is 1974, it is estimated that Ecuadoreans consumed goods and services in the amount of 62,289,000,000 sucres, which was an increase in consumption of 38.2 percent, a percentage never before equaled.

## Growth Rate

Despite the fact that in percentage terms the rate of growth in consumption recorded in 1975 is less than that of 1974, it is calculated that in 1975, the last year for which complete statistics are available, Ecuadoreans bought goods and services worth 77,365,000,000 sucres, that is, 24.2 percent more than the goods and services consumed in 1974.

If this rate of growth has been sustained, it is estimated that in 1976 total consumption in Ecuador was probably on the order of 90 million /sic/ sucres, concludes the study made by the department of economic research of the La Filantropica Bank.

9015

CSO: 3010

ELECTRIFICATION PROJECT COSTS GIVEN

Quito EL COMERCIO in Spanish 27 Jan 77 p 1

/Text/ Four of the six firms participating in the competition for the installation of the 230,000-volt transmission line from Guayaquil to Quito presented offers to the committee on bids of the Ecuadorean Electrification Institute (INECEL), which opened envelope number one on Tuesday of this week.

The cost of the project will reach \$150 million (3,750,000 sucres), and it will transmit the energy generated by the Paute hydroelectric plant.

According to data revealed yesterday by the deputy secretary for energy resources, Luis Parodi, this is the largest installation of this type, given the voltage to be carried by the line.

The installation will be carried out in two stages: the first, Guayaquil to Santo Domingo de los Colorados and the second, from that point to Quito, covering approximately 450 kilometers.

The project constitutes the backbone of the national interconnected system, which will be based on such sources of energy as Pisavambo, Paute and other important hydroelectric plants.

The documents of the four firms participating in the competition were delivered to the bids analysis commission of INECEL, so that this organization may publish the corresponding report within 1 week.

Prior to that the bids contained in envelope number two will be opened in order that the report will be complete. In envelope number one the legal status of the bidding companies is established, as regards the organization of the firm, its establishment in the country, legal representatives, etc. The second envelope deals with the bid itself, the amount, terms of payment and other determining elements that will permit a final judgment to be made on the company in whose hands the installation of the line will be placed.

Investments for the national transmission system, which consists of the construction and installation of high voltage lines and the respective substations, during the past year reached 79,330,000 sucres. Work was carried out on the Quito-Guayaquil and Quito-Ibarra lines, as well as on the design stage of the Paute-Guayaquil, Santo Domingo-Esmeraldas, Quevedo-Portoviejo, Ambato-Riobamba, Guayaquil-Santa Elena, Milagro-Babahoyo and Paute-Cuenca lines.

9015

CSO: 3010

ECUADOR

BRIEFS

SUGAR EXPORTS AUTHORIZED--The Ministry of Industry and Trade yesterday authorized the export of 935,555 quintals of sugar from various sugar mills. The export quintal consists of 45.3597 kilograms. The quotas assigned to the mills are: San Carlos, 278,496 quintals; Valdez, 244,282 quintals; Antra, 276,000 quintals; Tlana, 48,777 quintals; Monterrey, 40,000 quintals; Luz Maria, 19,200 quintals; Isabel Maria, 20,800 quintals; San Jose, 8,000 quintals. At the same time, those mills that fail to meet their assigned monthly quotas for the internal market will be penalized by having their shipments abroad suspended. /Text/ /Quito EL COMERCIO in Spanish  
25 Jan 77 p 17 9015

CSO: 3010

MEXICO

PSR REPORTS ON ITS INTERVIEW WITH LOPEZ-PORTILLO

Mexico City EL DIA in Spanish 13 Feb 77 p 3

[Text] The Socialist Revolutionary Party (PSR) reported yesterday, via a press release, on the interview between President Jose Lopez-Portillo and party Secretary General Roberto Jaramillo Flores.

Among the President's statements, according to the PSR, were the following:

--"I reject the allegation that I am a ruler for the bourgeoisie. I am the President of all Mexicans."

--"The tax changes that we have presented to date are merely the first steps in the tax reform program that we are preparing."

--"To encourage and stimulate private investment is to create more jobs."

--"The Leftist and democratic forces have nothing to fear--there will be no repression and political activities will be respected."

--"I am considering in all seriousness the demand for the general amnesty that you people want. However, the provocations and killings stand in our way."

--"The agrarian reform program will go forward. There must be even more training for the officials that administer the agrarian policy."

--"I am facing a difficult period. My responsibility, over the next 6 years, is to get the country out of the current crisis. I am obliged to do so. I govern for today, and you people are the opportunities of the future."

CSO: 3010

MEXICO

PCM TO HOLD ITS 18TH NATIONAL CONGRESS

Mexico City EL DIA in Spanish 13 Feb 77 p 3

[Text] The Mexican Communist Party (PCM) has stated that it will soon hold its 18th National Congress, a move that it hopes will signify "a step toward the gaining of its registration as an electoral party and a stimulus to the democratic and anti-imperialist labor movement of the nation."

The calling of the national congress was agreed to during the 7th Plenary Session of the Central Committee of the PCM, held on 8-11 February, which approved the report submitted by PCM Secretary General Arnolfo Martinez Verdugo.

It was also reported that the Central Committee was informed of the content of the interview between President Jose Lopez-Portillo [and PCM representatives], and the "conduct of the Executive Committee's delegation was approved."

CSO: 3010

MEXICO

ROCHA CORDERO: MOST ILLEGAL ARMS COME FROM THE USA

Mexico City EXCELSIOR in Spanish 19 Jan 77 p 27-A

[Article by Jorge Reyes and Luis Segura]

[Text] Col Rafael Rocha Cordero, chief of the Investigations Division, acknowledged yesterday that most of the arms in the possession of activist groups such as members of the "23 September Communist League," and common criminals, were brought into the country illegally from the United States.

He said that it is very difficult to buy any kind of arms in the city, including cartridges, but that the police are aware of the fact that everybody is walking around armed.

Rocha Cordero stated that the gun control campaign announced by the mayor of the city will decrease robberies and murders in the capital.

In a related connection, he said that to prevent assassinations of police officers by activist groups, such as those committed recently in a CONASUPO [Government Basic Commodities Corporation] store, it is necessary to restructure the surveillance system in commercial establishments and branch banks.

He said that "a police officer who does his surveillance duties by checking doors or by waiting inside buildings is a dead man in the event of an attack, because persons who commit these kinds of crimes prepare themselves a long time in advance, take all of the precautions necessary to avoid any mistake."

"Logically, what should be eliminated immediately is the policeman who is totally unprotected who, when he realizes the situation, has no time to defend himself and is slain in a cunning manner," he asserted.

### The First To Be Attacked Is the Policeman

He said that these criminals regularly go to commercial establishments and take up position in strategic locations. When their accomplices enter, they act quickly.

"They always enter as customers so as not to arouse suspicions," added Rocha Cordero, who was interviewed yesterday in his office on the third floor of the Directorate General of Police and Traffic building.

He felt that police officers should be stationed in high places which are duly protected in large stores and branch banks, so that they can observe all movements taking place within the establishment. This measure would put an end to police assassinations and would also stop armed attacks.

In a related connection, he said that many criminal judges are easy on criminals. If they were to adhere strictly to the penal code and would hand out severe sentences, crime would decrease considerably.

As an example, he mentioned the fact that recently three store and pharmacy robbers who operated in the Avante barrio were arrested. They confessed and were sent to the District Attorney's office who in turn handed them over to a criminal judge. The latter, after taking their statements, released them.

With respect to gun control, he said that special groups should be formed to handle this task and that this should be a permanent arrangement.

He added that visits should be made principally to lower class nightspots, bars, billiard parlors, high class cabarets and other recreation centers, mainly in the Zona Rosa.

He stated that despite the fact that the sale of guns is prohibited, the situation in the city is alarming because there are incidents daily in which firearms are readily brought forth.

Rocha Cordero said that up until now he had received no direct orders on this score; however, he affirmed, "I understand that General Durazo received orders from the mayor to start the campaign."

He added that this effort should also have the collaboration of the authorities of the state of Mexico because "the problem is aggravated in the outlying districts." He also requested the collaboration of the authorities from areas surrounding the capital, such as Morelos, Hidalgo and Queretaro, as well as those of Puebla and Veracruz.

Finally, he said that for every 10 murders committed in the city, seven of these are perpetrated with firearms.

8143  
CSO: 3010

## MEXICO

### HEAVY DOLLAR LOSS IN 9-MONTH PERIOD

Mexico City EL DIA in Spanish 19 Jan 77 p 6

[Text] The financial costs to the country of foreign indebtedness comprise interest payments, a significant foreign investment, payment of dividends and some tourism expenses, principally a rather considerable border tourism of Mexicans. In the final analysis, this is what causes Mexico to have a very large deficit in its balance of payments.

This information was released by Luis Sanchez Aguilar, president of Community Action, AC, during a press conference held at noon yesterday in a city hotel at the working luncheon of the Rotary Club of Mexico City whose president is Jorge Barbara Zetina.

After a speech on the subject of "Panorama of the Economic Situation in Mexico," with which Dr Edmundo Sanchez Aguilar opened the meeting, his brother Luis Sanchez Aguilar, made the following comments in this regard:

1. From January to September 1976, Mexico had a dollar deficit of \$2.508 billion in its overall balance of merchandise and services.
2. The financial cost of nonproductive imports--dividends, interest and tourism--was \$2.617 billion, during the same period of time. Some \$1.215 billion were in the tourism category and \$1.402 billion were in dividends and interest.
3. The Federal Reserve Bank and the Treasury of the United States report that from December 1975 to September 1976, Mexican deposits in American banks increased by \$279 million; from 1970 to 1975, the flight of capital increased by \$1.507 billion; from 1964 to 1970, by \$426 million; from 1957 to 1964, by \$372 million; and from 1950 to 1957, by \$179 million.
4. From December 1975 to August 1976, there was more than a flight of capital. What really happened is that 15,187,500,000 pesos were exchanged for \$1.215 billion, diminishing the reserves of the Banco de Mexico, although this foreign exchange never left the country nor the bank.

5. The Achilles heel of the Mexican economy is actually the concept of non-productive imports, such as Mexican border tourism and to foreign countries, dividends and interest, which are difficult to control.

6. In the merchandise export sector, agriculture-livestock represented 28 percent of the total and is the category which over the long range would not affect the country's patrimony, because it is renewable.

7. If Mexico could negotiate an agreement with the government of the United States covering elimination of tariffs and non-tariff barriers which would give our country an open door to export large volumes of agricultural-livestock products, it could, over the short range, generate sufficient exports to pay for its nonproductive imports.

8. The federal government's 1977 budget, even though it represents an increase of 57 percent with respect to 1976, after adjusting it for the loss of our money's purchasing power, is going to decrease its investments 8 percent as compared to last year.

9. Parity of the peso with respect to the dollar has been manipulated at the whim of the interests of foreign financial institutions, and it is desirable that it be allowed to float until the country is stabilized.

10. In the event that strong economic recovery materializes in the United States, Western Europe and Japan, Mexico's balance of payments will be strongly pressured at the end of 1977 because of the heavy outflow of foreign exchange occasioned by a high rate of interest on a debt of more than \$30 billion and this, in turn, would cause devaluative pressures upon the Mexican peso.

11. The inaugural address delivered by Lopez-Portillo when he assumed the post of President of the Republic had a tranquilizing effect upon all sectors of the country which was reflected in a significant decrease in the speculative pressures on the peso.

He also revealed in a separate interview that annual capital flight is on the order of 65 billion pesos annually and that in Mexico there is boasting and conceit over skill in the capital flight sector.

8143

CSO: 3010

## MEXICO

### PEMEX TO INVEST HEAVILY IN NEW METHANOL PRODUCTION

Mexico City EL DIA in Spanish 19 Jan 77 p 6

[Text] With an investment of 371 million pesos, Mexican Petroleum [PEMEX] is constructing a new methanol plant in the Petrochemical Complex of Texmelucan, Puebla. The latter is part of a program which envisions the construction of four large petrochemical plants with a total cost of 970 million pesos.

Given the importance of these construction projects, the director general of Mexican Petroleum, Jorge Diaz Serrano, visited that Complex, accompanied by a group of PEMEX technicians, with a view to determining the progress being made in these works.

Marciano Flores Rosales, secretary general of Section 39 of STPRM [Union of Public Workers of the Republic of Mexico], greeted Jorge Diaz Serrano; and engineers Garcia Luna H., manager of the Petrochemical Complex, and Emilio Willis Mora, general superintendent of the Texmelucan Complex, gave him a report on the construction work.

The Texmelucan Petrochemical Complex was integrated in 1969 when the first PEMEX methanol plant was placed in operation. This plant had an investment of 130 million pesos, with an original capacity of 21,500 tons per year.

The PEMEX technicians reported that the second methanol plant will have a capacity of 150,000 tons; i.e., seven times that of the first plant. It will be operated with the latest technological advances in the process of manufacturing methanol and will require a lesser investment per unit of production. The construction work will be completed at the beginning of 1978.

The worth of the new methanol production, at the domestic price of this product, will total 569 million pesos per year. The new volume of available methanol will permit the satisfying of the total national demand until the year 1982, and it is expected that there will be surpluses for export.

Plans have been made for a start on the installation of a third methanol plant in 1980 so that national requirements, from 1983 onward, will be met; and we will be able to maintain our presence in the world market.

#### Raw Material of Great Industrial Use

In 1977, it is estimated that national consumption of methanol will total 55,000 tons. An increase to 184,000 tons is forecast for 1982, representing an average annual rate of increase of 22.3 percent.

Methanol is a primary petrochemical raw material from which more than 110 products can be manufactured. Methanol derivatives are used to manufacture plastics, synthetic fibers such as polyester, and is also used in the cosmetics and pharmaceutical industries, among others. What is more, methanol is a solvent greatly used by industry for paints, lacquers, additives, etc.

Apart from the methanol production program, PEMEX will install four new plants for the production of propylene derivatives in the Texmelucan Petrochemical Complex. This is a valuable petrochemical raw material the production of which is included in the program for the next 6 years.

The four new plants are as follows:

- a. A propylene oxide plant, with a capacity of 60,000 tons per year, with an estimated investment of 260 million pesos.
- b. A tetrameric propylene plant, with an annual capacity of 80,000 tons, with an estimated cost of 120 million pesos.
- c. A dodecylbenzine plant, the base for the production of detergents, with a capacity of 70,000 tons per year and an investment of 140 million pesos, and
- d. An acrylic acid plant with a capacity of 30,000 tons per year and a cost of 170 million pesos.

Another 280 million pesos must be added to the 690 million pesos invested in these four plants for the installation of auxiliary services and expansion of the workshops.

8143

CSO: 3010

PERU

# COST OF LIVING RISES IN DECEMBER 1976

Lima EL COMERCIO in Spanish 19 Jan 77 p 1

[Text] The cost of living in metropolitan Lima rose 1.52 percent during December 1976, the National Statistics Institute [INE] announced yesterday in a bulletin issued by its Public Relations Office.

The report explained that compared to November of the same year the rise in the consumer price index was 0.94 percent.

The decreasing trend in the cost of living persists, according to statistics gathered by the agency's experts.

The "food and beverage" category increased 2.27 percent in December, compared with the previous month. The subcategories increased as follows: tubers and roots (olluco, sweet potatoes, white potatoes), 8.05 percent; sugar, salt and spices, 7.61 percent; edible fats and oils, 5.83 percent; and fruits, 4.04 percent. However, the increase in the "food and beverage" category was offset by the drop in the price of onions, poro, celery, cabbage, broad beans, peas and green beans.

From June to December, the aforementioned group of products rose 29.53 percent, and from December 1975 to December 1976, the rise was 44.49 percent.

At the same time, the "clothing" category increased 1.74 percent in December due to the rise in prices of clothing for minor children in the 2-year-old group, clothing and footwear for men and boys and clothing and footwear for women and girls.

The "dwelling and furniture" group rose 0.83 percent, and the group headed "miscellaneous," 0.63 percent.

8735

CSO: 3010

PERU

## NONTRADITIONAL EXPORT FIGURES ROSE IN 1976

Lima EL COMERCIO in Spanish 13 Jan 77 p 1

[Text] Non traditional exports from this country last year rose to \$143,900,000 worth (approximately 10,079 million soles) according to Commerce Ministry statistics.

This figure represents a 43 percent increase over the value of non traditional exports in 1975, which amounted to \$100,400,000.

Likewise, it represents a remarkable recovery in this sector of the nation's economy, which includes manufactured and semi-manufactured goods, native handicrafts and agricultural articles.

According to the report, the increase in this sector is due also to the economic reactivation measures decreed by the government in July of 1976.

The implementation of the new tax incentive regime (Decree Law 21492) and a new exchange policy have also had an essential effect.

During the first half of last year the value of non traditional exports was slightly higher than that of the same period of 1975.

During the second half of 1976, considerable dynamism was observed in this area of exports, reflected in the value of exports and also in the greater number of products and of companies which participated in the process.

During the year just ended, Peruvian textile, fishing and metal products were much better able to enter into and remain in foreign markets.

The above-mentioned sectors contributed 21.9, 19 and 15.7 percent, respectively, to the overall export figures previously indicated.

In monetary terms, the three areas amassed a total of exports worth \$82,300,000 in 1976.

The principal non traditional products sold abroad were frozen hake, fishing boats, alpaca tops, alpaca slivers and bulk barium sulphate, among others.

PERU

#### CPV TO INCREASE MERCHANTS FLEET

Lima EL COMERCIO in Spanish 19 Jan 77 p 1

[Text] The Maritime Industrial Service of Callao [SIMAC] has begun building two grain transports with a capacity of 25,200 registered tons each, commissioned by the Peruvian Steamship Company [CPV] to increase its merchant fleet.

The construction of the two grain transports by SIMAC is part of CPV's fleet expansion plan, consisting of the acquisition of 13 more units, including cargo vessels and grain transports, already announced by the State Shipping Enterprise.

Work has begun in the shipyards, the steel plates having already been delivered, and in addition to contract has already been signed overseas for the purchase of the principal engines needed.

These grain transports will be sister ships of the "Jose Olaya", the "Hermanos Carcamo" and the "Amazonas", owned by CPV and also constructed by SIMAC. The three ships mentioned are presently in service in nonregular lines established by the shipping company.

Both CPV and SIMAC are now awaiting the approval of the Multi-sector Commission of the Government, Naval Industrial Section, to proceed with the manufacture of cargo vessels for the CPV.

The grain transports "Jose Olaya", "Hermanos Carcamo" and "Amazonas", along with the "chartered" (leased) cargo vessels, which will be replaced with future acquisitions of the state enterprise, are moving most of the cargo tonnage of grain and general tonnage for export.

The announcement, made by CPV, indicated that in 1975 these carriers transported 1,048 tons with an income of 1,169 million soles. It is calculated that the figures for 1976 are higher.

This volume is due to the fact that the grain transports, as well as the "charters", serve non-regular lines; that is, they transport cargo to any port in the world, without following a fixed route as does the rest of the fleet.

8735

CSO: 3010

PERU

# PISCO OIL EXPLORATION TO BE RENEWED

Lima EL COMERCIO in Spanish 12 Jan 77 p 12

[Text] Pisco, 11 (Correspondent). The news that a search for oil would be made in a geological layer located within the jurisdiction of Pisco created a sensation and much hope here. On this spot, more than 20 years ago, the International Petroleum Company made its own drilling, but the results were never transmitted to the government.

The prospect that the subsoil of Pisco province contains the precious "black gold" arose today when the head of a completely soldered 12-inch pipe was found in an area called "Agua Santa" along kilometer 222 of the Southern Pan American Highway. This evidence was the trace left by IPC geologists and oil prospectors after exploring this area. But, as far as is known, information regarding the results of that exploration and the samples extracted from the subsoil was never released.

This job will now fall to technicians and specialists from the Peruvian State Petroleum Agency, which, it is thought, will act immediately to resolve the question about the existence of oil, which has on various occasions been said to exist here.

It is recalled here that IPC invested large sums of money in its exploration 20 years ago, especially on the construction of a road said to be over 5 kilometers long, to facilitate the transportation of machinery, equipment and materials for the exploration, as well as on damming up a lake for pumping water. But in the end, the results of that work, which today has attracted new interest, were never made known and must now be confirmed by PETRO-PERU petroleum technicians.

Upon learning of the sealed pipe found at Agua Santa, a committee composed of Pisco Mayor Jose Luyo Silva, Peruvian Air Force Major Hernan de Souza Peix, representing Juan Carrera Ballesteros, Peruvian Air Force colonel, and topographer Carlos Centeno Zapata, visited the spot. As a result of this visit, it was learned, a complete report is being made on the matter to be forwarded to the Ministry of Energy and Mines.

8631

CSO: 3010

## AUTOMOTIVE INDUSTRY SHOWS RECOVERY IN 1976

Lima EL COMERCIO in Spanish 15 Jan 77 p 9

[Text] The Peruvian auto industry registered the same volume of production in 1976 as in the previous year, in spite of adverse factors, such as the effects of the crisis which almost caused the closing of some plants, labor problems in the first half, cost and price problems and others.

Production reached 34,314 units last year, 40 more than in 1975, when there was an increase of 15 percent over 1974.

According to the report of the Association of Auto Industry Plants [APIA], automobiles and station wagons accounted for 65 percent of this production, and commercial vehicles for the other 35 percent. The proportion is almost equal to that of the previous year, which recorded 63 percent and 37 percent, respectively.

### Recovery

Actually, the recovery in the auto industry began in August, due to a sharp readjustment of prices authorized by the Ministry of Industry and Tourism--a readjustment which had been demanded insistently by the five assembly plants which operate in Peru. The price readjustment on automobiles and other commercial vehicles varied from 38 to 52 percent.

Without this readjustment, according to a report from APIA, many of the plants would have had to curtail production and even close their factories, since the cost of production was higher than the prices asked.

### Demand Increases

This price readjustment permitted the industry to satisfy the growing demand of the domestic market--although that market contracted slightly compared with 1975, since sales in 1976 amounted to 32,812 units, as against 34,186 in the previous year.

## Plants

According to APIA's statistical charts, 32 percent of the production was by Chrysler Peru, 28 percent was produced by Motor Peru, 16 percent by Nissan Motor of Peru, 19 percent by Toyota and 5 percent by Volvo of Peru.

## Sizes of Vehicles

According to the same statistics, almost 55 percent of the automobile production comprised automobiles of small cylinder capacity, that is, small cars. This year, 9,528 Volkswagens and 2,698 Datsuns were produced; in the middle category a total of 8,540 vehicles were assembled, 6,609 of them Toyotas and 1,246 Hillmans; in the large automobile category, or "B 3", 1,527 autos were produced, all of them Dodges.

## Commercial Vehicles

In the category of commercial vehicles, only 17 "micros" were produced, 4,618 pick-up type vehicles, 3,573 2-to-3 ton vehicles, 2,199 3-to-9 ton vehicles and 1,623 vehicles of over 9 tons.

APIA notes also that in 1976, 16,556 motorcycles were produced by Honda of Peru, and 456 tractors by Andean Tractors, S.A.

## Sales

Regarding sales, in the department of Lima, Callao was first with 64 percent of the production, selling 21,093 units. Next is the department of Junin with 2,191, followed by Arequipa with 1,745, Piura, 1,524, La Libertad, 1,174 and Lambayeque with 1,039.

8735

CSO: 3010

## BRIEFS

NEW CONTRACT AIDS METALS INDUSTRY--With financial and technological assistance from the LVD firm of Belgium, Peru will begin this year to manufacture machine tools--of vital importance to the development of the country's metal processing and naval industries. For this purpose, LVD has just granted a license to the Peruvian firm of SETRO S.A. to manufacture hydraulic folding machines and hydraulic shears, and will also contribute \$1 million in capital. The growth of the metal processing sector assures a potential market for this type of machinery. Also, there are plans for exporting, principally to the Andean countries, which will mean considerable exchange income for Peru, reported SETRO General Manager Sebastiano Trosso yesterday. LVD is the European leader in its field (manufacturing hydraulic folding presses, hydraulic shears, hydraulic inlay presses, mechanical presses, eccentric presses and rollers, etc.). For its part, SETRO S.A. is the largest manufacturer of machine tools in Peru. This national firm has a reinvestment plan worth 75 million soles and in order to implement its agreement with LVD, it will erect its second plant on an 18,000 square meter plot across from the International Airport. Recently, it exported eccentric presses to Venezuela and will soon do so to Belgium, Greece, Ecuador, and Bolivia as well. [Text] [Lima EL COMERCIO in Spanish 13 Jan 77 p 1] 8631

RADAR UNIT TO BE INSTALLED--This year a modern new radar system will be installed at the Jorge Chavez International Airport which will considerably improve and facilitate commercial air traffic. The Air Traffic Control Center plan has been purchased with a credit of 6 million deutsche marks (approximately 176 million soles) granted to Peru by the government of the Federal Republic of Germany. In order to make the installation of the equipment a reality, COFIDE [Financial Development Corporation] has granted a loan for 43 million soles to the Peruvian Airport and Commercial Aviation Corporation (CORPAC). On previous occasions, COFIDE granted two important financial contributions to CORPAC for enlarging its shops and purchasing ramp equipment. To enlarge the shops, 43,300,000 soles were lent, and for the ramp, the disbursement was a loan guarantee of \$1,315,000 underwritten with U.S. banking entities. Construction work on the traffic control sites will begin this month and will be completed by October or November of this year. [Text] [Lima EL COMERCIO in Spanish 13 Jan 77 p 8] 8631

SPECULATION ON NEW MINISTRY--Within a short time the government will publish a decree which will reestablish the Ministry of Justice. According to reports, the portofolio will be given to Oswaldo Corpancho, a lawyer, who is presently chief administrator of the National Elections Panel and director of the National Office for Judicial Matters. This office is under the prime minister's jurisdiction. Corpancho is 59 years old and he has not been active in any political party. [Text] [Lima CARETAS in Spanish 17 Feb 77 p 16]

COMMUNIST PARTY FACTIONALISM--An intense factional struggle is taking place within the communist party's inner circles. During the political committee's last session Jorge del Prado threatened to expel Mario Ugarte from that committee after "Comrade Julio" accused Ugarte of being a "corrupt agent" in addition to calling him other unwholesome names. [Text] [Lima EQUIS-X in Spanish 16 Feb 77 p 5]

COAL PROSPECTING AREA--An area of 2,217 square kilometers, located in the provinces of Cajatambo, Chancay (Lima) and Daniel Alcides Carrion (Pasco), has been declared a national reserve area for mining purposes as of 19 April 1977, for a period of 3 years. By a Supreme Decree published yesterday in EL PERUANO, the Revolutionary Government set aside this national reserve area for the Peruvian State Iron and Steel Enterprise [SIDER-PERU], so that it may continue its work of prospecting and exploration for coal. This area includes the districts of Gorgox, Oyon, Andajes and Pachangara (Cajatambo), Checra and Santa Leonor (Chancay) and part of the district of Yanahuanca in the province of Daniel Alcides Carrion (Pasco). [Text] [Lima LA PRENSA in Spanish 16 Jan 77 p 1] 8735

CSO: 3010

END